

Independent Auditor's Reports as
Required by Title 2 U.S. *Code of
Federal Regulations* Part 200, *Uniform
Administrative Requirements, Cost
Principles, and Audit Requirements for
Federal Awards and Government
Auditing Standards* and Related
Information

Worcester Polytechnic Institute

June 30, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Worcester Polytechnic Institute

Opinion

We have audited the consolidated financial statements of Worcester Polytechnic Institute (the "University"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as of and for the year ended June 30, 2024 taken as a whole. The Schedule of Expenditures of Federal Awards for the year ended June 30, 2024, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 2024 consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2024 consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the 2024 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

the supplementary information is fairly stated, in all material respects, in relation to the 2024 consolidated financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 5, 2024, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Grant Thornton LLP

Boston, Massachusetts
November 5, 2024

Worcester Polytechnic Institute

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,
(in thousands)

	2024	2023
Assets		
Cash and cash equivalents	\$ 2,351	\$ 10,891
Accounts receivable, net	14,175	13,715
Contributions receivable, net	28,483	28,804
Prepaid expenses and other assets	8,550	10,005
Student loans receivable, net	15,993	16,581
Beneficial interest in trusts	15,577	16,474
Investments	723,975	704,487
Land, buildings and equipment, net	539,074	518,519
	<hr/>	<hr/>
Total assets	\$ 1,348,178	\$ 1,319,476
	<hr/>	<hr/>
Liabilities		
Accounts payable and accrued liabilities	\$ 36,947	\$ 28,027
Deposits and deferred revenue	12,478	11,901
Lease liabilities	60,914	67,748
Obligations under split-interest agreements	5,413	5,482
Funds held for others	5,142	5,381
Asset retirement obligations	1,160	1,128
Refundable government loan funds	1,815	2,527
Bonds and notes payable, net	372,724	396,120
Interest rate agreements	1,400	1,875
	<hr/>	<hr/>
Total liabilities	497,993	520,189
	<hr/>	<hr/>
Net assets		
Without donor restrictions	364,825	350,722
With donor restrictions		
Time or purpose	224,009	194,772
Perpetual	261,351	253,793
	<hr/>	<hr/>
Total net assets	850,185	799,287
	<hr/>	<hr/>
Total liabilities and net assets	\$ 1,348,178	\$ 1,319,476
	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.

Worcester Polytechnic Institute

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2024
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition and fees, net	\$ 207,858	\$ -	\$ 207,858
Other educational activities	3,035	-	3,035
Contributions	5,741	2,304	8,045
Contract and exchange transactions	56,850	-	56,850
Investment income on endowment and similar funds	8,135	61	8,196
Net realized and unrealized gains on endowment used for operations	9,419	9,647	19,066
Other investment income	2,465	624	3,089
Sales and services of auxiliary enterprises	44,098	-	44,098
Other	5,783	-	5,783
	<hr/>	<hr/>	<hr/>
Total revenues	343,384	12,636	356,020
Net assets released from restriction	<hr/>	<hr/>	<hr/>
	14,326	(14,326)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	357,710	(1,690)	356,020
	<hr/>	<hr/>	<hr/>
Operating expenses			
Salaries and wages	162,344	-	162,344
Employee benefits	54,926	-	54,926
Supplies and other expenses	65,672	-	65,672
Professional services	20,756	-	20,756
Utilities	8,200	-	8,200
Rent	2,040	-	2,040
Depreciation	36,640	-	36,640
Interest expense	10,564	-	10,564
	<hr/>	<hr/>	<hr/>
Total operating expenses	361,142	-	361,142
	<hr/>	<hr/>	<hr/>
Change in net assets from operating activities	(3,432)	(1,690)	(5,122)
	<hr/>	<hr/>	<hr/>
Nonoperating activities			
Net realized and unrealized gains on investments	24,504	39,376	63,880
Net realized gains on endowment used for operations	(9,419)	(9,647)	(19,066)
Net unrealized gains on beneficial interest in trusts	-	959	959
Change in value of split-interest agreements	30	(345)	(315)
Contributions restricted for long-term investment	-	10,635	10,635
Loss on disposal of assets	(480)	-	(480)
Net unrealized gains on interest rate agreements	407	-	407
	<hr/>	<hr/>	<hr/>
Change in net assets from nonoperating activities	15,042	40,978	56,020
	<hr/>	<hr/>	<hr/>
Net assets released from restriction	<hr/>	<hr/>	<hr/>
	2,493	(2,493)	-
	<hr/>	<hr/>	<hr/>
Total change in net assets from nonoperating activities	17,535	38,485	56,020
	<hr/>	<hr/>	<hr/>
TOTAL CHANGE IN NET ASSETS	14,103	36,795	50,898
	<hr/>	<hr/>	<hr/>
Net assets			
Beginning of year	350,722	448,565	799,287
	<hr/>	<hr/>	<hr/>
End of year	\$ 364,825	\$ 485,360	\$ 850,185
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this consolidated financial statement.

Worcester Polytechnic Institute
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2023
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition and fees, net	\$ 201,932	\$ -	\$ 201,932
Other educational activities	2,970	-	2,970
Contributions	4,611	4,307	8,918
Contract and exchange transactions	47,047	-	47,047
Investment income on endowment and similar funds	9,654	87	9,741
Net realized and unrealized gains on endowment used for operations	7,832	7,822	15,654
Other investment income	3,303	640	3,943
Sales and services of auxiliary enterprises	41,256	-	41,256
Other	8,067	-	8,067
	<hr/>	<hr/>	<hr/>
Total revenues	326,672	12,856	339,528
Net assets released from restriction	<hr/>	<hr/>	<hr/>
	11,368	(11,368)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	338,040	1,488	339,528
	<hr/>	<hr/>	<hr/>
Operating expenses			
Salaries and wages	154,937	-	154,937
Employee benefits	50,213	-	50,213
Supplies and other expenses	67,848	-	67,848
Professional services	20,461	-	20,461
Utilities	7,871	-	7,871
Rent	2,455	-	2,455
Depreciation	36,635	-	36,635
Interest expense	14,943	-	14,943
	<hr/>	<hr/>	<hr/>
Total operating expenses	355,363	-	355,363
	<hr/>	<hr/>	<hr/>
Change in net assets from operating activities	(17,323)	1,488	(15,835)
	<hr/>	<hr/>	<hr/>
Nonoperating activities			
Net realized and unrealized gains on investments	23,718	29,915	53,633
Net realized gains on endowment used for operations	(7,832)	(7,822)	(15,654)
Net unrealized losses on beneficial interest in trusts	-	(275)	(275)
Change in value of split-interest agreements	(31)	(205)	(236)
Contributions restricted for long-term investment	-	10,807	10,807
Gain on disposal of assets	205	-	205
Net unrealized gains on interest rate agreements	1,023	-	1,023
	<hr/>	<hr/>	<hr/>
Change in net assets from nonoperating activities	17,083	32,420	49,503
	<hr/>	<hr/>	<hr/>
Net assets released from restriction	<hr/>	<hr/>	<hr/>
	2,332	(2,332)	-
	<hr/>	<hr/>	<hr/>
Total change in net assets from nonoperating activities	19,415	30,088	49,503
	<hr/>	<hr/>	<hr/>
TOTAL CHANGE IN NET ASSETS	2,092	31,576	33,668
	<hr/>	<hr/>	<hr/>
Net assets			
Beginning of year	348,630	416,989	765,619
	<hr/>	<hr/>	<hr/>
End of year	\$ 350,722	\$ 448,565	\$ 799,287
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this consolidated financial statement.

Worcester Polytechnic Institute
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,
(in thousands)

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 50,898	\$ 33,668
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation, amortization, and accretion	30,373	20,897
Provision for uncollectible receivables	496	708
Loss on disposal of property and equipment	480	117
Net realized and unrealized gains on investments	(56,834)	(59,750)
Net unrealized losses (gains) on interest rate agreements	42	(1,643)
Contributions other than cash	(287)	(19)
Contributions restricted for long-term investment	(10,635)	(10,807)
Proceeds from sale of donated securities	(642)	1,272
Changes in assets and liabilities		
Accounts receivable	(27)	3,680
Contributions receivable	(101)	(2,818)
Prepaid expenses and other assets	1,454	(367)
Accounts payable and accrued liabilities	8,656	(5,381)
Deposits and deferred revenue	577	410
Operating lease liabilities	(9,824)	39,874
Split-interest agreements	(69)	(521)
Funds held for others	(239)	(221)
Asset retirement obligations	32	(150)
Refundable government loan funds	(712)	(1,075)
Total adjustments	(37,260)	(15,794)
Net cash provided by operating activities	13,638	17,874
Cash flows from investing activities		
Proceeds from sales and maturities of investments	91,810	41,766
Purchase of investments	(52,853)	(47,046)
Purchase of land, buildings, and equipment	(54,732)	(32,924)
Disbursement of loans to students	(2,291)	(3,309)
Repayment of loans from students	2,898	2,764
Net cash used in investing activities	(15,168)	(38,749)
Cash flows from financing activities		
Contributions restricted for long-term investment	10,635	10,807
Realized losses (gains) on interest rate agreements	(517)	126
Proceeds from long-term debt	21,332	-
Proceeds from short-term borrowing	500	19,999
Repayment of long-term debt	(38,960)	(17,063)
Net cash (used in) provided by financing activities	(7,010)	13,869
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,540)	(7,006)
Cash and cash equivalents		
Beginning of year	10,891	17,897
End of year	\$ 2,351	\$ 10,891
Supplemental disclosures of cash flow information		
Interest paid	\$ 17,269	\$ 12,905
Contributed securities	642	1,272
Gift in kind	143	486
Purchases of buildings and equipment included in accounts payable	45	2,097
Leased equipment	5,969	4,957

The accompanying notes are an integral part of these consolidated financial statements.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 - ORGANIZATION

Worcester Polytechnic Institute (the "University"), founded in 1865, is the third-oldest private technological university in the United States. The University has an annual enrollment of over 8,000 undergraduate and graduate students. Located in Worcester, Massachusetts, the University serves a diverse student body representing nearly all U.S. states and over 90 foreign countries.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

The accompanying consolidated financial statements are prepared using the accrual basis of accounting. Net assets, revenues, expenses, gains, and losses are classified based on whether or not donor-imposed restrictions exist. Accordingly, the University's net assets and any changes in them are categorized and reported as follows:

Net Assets With Donor Restrictions

These include net assets subject to donor-imposed stipulations, which may require the University to maintain the principal permanently. In most cases, donors allow the University to use all or part of the income generated by these investments for general or specific purposes. Also included are net assets restricted by state law or donor-imposed restrictions that can be fulfilled by University actions or the passage of time.

Net Assets Without Donor Restrictions

These are net assets that are not subject to any donor-imposed restrictions. However, net assets without restrictions can be designated for specific purposes by the Board of Trustees or restricted through contractual agreements with external parties.

Effective for the fiscal year ending June 30, 2024, the University changed the presentation of its Statement of Activities from a functional expense category format to a natural expense category format. To facilitate comparability, the prior year's financial information for the fiscal year ended June 30, 2023, has been reclassified to conform to the current year's presentation.

Consolidation

The accompanying consolidated financial statements include the accounts of the University and its wholly-owned or controlled subsidiaries, as described below. Intercompany accounts and transactions have been eliminated.

Washburn Park Inc. ("Washburn")

Washburn is a not-for-profit corporation that operates a University-owned parking garage located in the Gateway Park area of Worcester.

Gateway Park LLC ("Gateway")

Gateway holds a ground lease for University-owned property in the Gateway Park area of Worcester.

Lancaster Island LLC ("Lancaster")

Lancaster owns land in the Gateway Park area of Worcester and is the lessee of a parcel of land currently used for student parking.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

ASSISTments Foundation Inc. ("TAF")

TAF is a not-for-profit corporation and a Type 1 Supporting Organization of the University. It supports the University's ASSISTments program.

Classifications

Revenues are reported as increases in net assets without donor restrictions unless the use of related inflows is limited by donor-imposed restrictions or legal requirements. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions, unless restricted by explicit donor stipulation or legal requirements. When temporary restrictions on net assets expire (i.e., the donor's stipulation is fulfilled or the specified time period elapses), the amounts are reclassified as net assets released from restrictions.

Operating and Nonoperating Activities

In the consolidated statements of activities, the University distinguishes between operating and nonoperating activities. Operating activities are primarily those that support the University's educational mission and purpose. Nonoperating activities generally include unspent appreciation on endowment funds, gains or losses on beneficial interests in trusts, changes in the value of split-interest agreements, net contributions designated for endowment and capital use, and related releases, and changes in the value of interest rate agreements.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the financial statement date, as well as the reported revenues and expenses during the reporting period. Significant estimates made by the University include the valuation of investments, the estimated net realizable value of receivables (including contributions, gifts, pledges, student loans, student accounts, and other receivables), the estimated useful lives of buildings and equipment, and liabilities related to asset retirement obligations, self-insured medical claims, and split-interest agreements. Actual results may differ from these estimates.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the University defines cash equivalents as short-term, highly liquid investments. These consist of time deposits and short-term investments with maturities of ninety days or less at the time of purchase, recorded at cost, which approximates fair value. Certain cash and cash equivalent balances are designated as separate from cash available for current operations, based on the University's intent to segregate these funds.

The University's banking activities, including cash and cash equivalents not classified as investments, are held with one regional bank, and the balances exceed federal insurance limits. The University monitors the financial strength of the bank on an ongoing basis.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions subject to donor-imposed stipulations that are satisfied within the same reporting period are reported as unrestricted support. Promises to give that are scheduled to be received after the fiscal year-end are shown as increases in net assets with donor restrictions and are reclassified to net assets without

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

donor restrictions when the purpose or time restrictions are met. Promises to give that require the corpus to be maintained permanently are recognized as increases in net assets with donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of non-cash assets are recorded at their estimated fair value at the time of the gift. Contributions expected to be collected after more than one year are recorded at the present value of estimated future cash flows, with discount rates ranging from approximately 0.5% to 4.3%. The amortization of the discount is recorded as additional contribution revenue in the relevant net asset class.

The carrying amount of contributions receivable approximates fair value, as these amounts are recorded net of an allowance for uncollectible accounts and a discount to their present value. The allowance for uncollectible contributions receivable is based on management's judgment, taking into account factors such as prior collection history, type of contribution, and nature of the fundraising activity.

The University reports contributions of land, buildings, or equipment as support without donor restrictions unless the donor imposes specific restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as support without donor restrictions if the assets are placed in service within the same reporting period. Otherwise, these contributions are reported as support with donor restrictions until the assets are acquired and placed in service, at which point they are reclassified as net assets without donor restrictions.

Deferred Financing Costs

Deferred financing costs related to bonds and notes payable are amortized over the life of the associated bonds.

As of June 30, 2024 and 2023, net deferred financing costs were approximately \$2,248,000 and \$2,624,000, respectively. Amortization expense for the years ended June 30, 2024 and 2023, was approximately \$376,000 and \$192,000, respectively. The estimated annual amortization expense for the next five years is approximately \$87,000.

Beneficial Interest in Trusts

The University is the beneficiary of certain perpetual and charitable remainder trusts, which are held and administered by third-party trustees. Under these agreements, the University has an irrevocable right to its share of the income generated by the trust assets. Donors may impose restrictions on the use of the income. The estimated fair value of the trust assets is recognized as an asset and as contribution revenue when the information is reported to the University.

Investments

Investments are reported at fair value, which is a market-based measurement determined by the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To determine fair value, the University prioritizes inputs based on the market in which the investments trade and the reliability of the data, using a three-level hierarchy:

Level 1 - Valuation is based on quoted prices for identical assets in active markets. Market price data is typically obtained from relevant exchanges or dealer markets.

Level 2 - Valuation is based on observable inputs other than Level 1 prices. This includes quoted prices for similar assets in active or inactive markets, or other observable data that can be corroborated by market data for substantially similar assets or liabilities.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Level 3 - Valuation is based on unobservable inputs that are significant to the asset's fair value. This category includes investments where valuation is determined using pricing models, discounted cash flow methodologies, or other techniques that require significant judgment or estimation.

For certain investments, fair values are based on the net asset value ("NAV") provided by external investment managers, including general partners, when fair values are not readily available. These valuations rely on estimates, assumptions, and methodologies used by the investment managers.

In the absence of quoted market prices, fair values are determined using present value calculations or other valuation techniques. These techniques are significantly affected by assumptions, such as discount rates and estimates of future cash flows. As a result, the estimated fair values may differ from actual realized values in transactions.

Investments consist of assets held in the University's endowment and similar funds, as well as split-interest agreements. Endowment funds are subject to donor restrictions requiring the principal to be invested in perpetuity, with only the income available for use. Funds functioning as endowments, or quasi-endowments, have been established by the Board of Trustees to serve the same purposes. However, any portion of these quasi-endowments may be expended with Board approval.

Endowment and similar fund assets are pooled on a fair value basis, with each individual fund subscribing to or disposing of units based on the fair value per unit at the start of each quarter. Endowment income is distributed based on the number of units held at the end of each month. The University also maintains separately invested funds, as stipulated by specific donors.

Gains or losses on investments are reported in the consolidated statement of activities as increases or decreases in net assets without donor restrictions, unless restricted by explicit donor stipulations or legal requirements. Investment income is recorded in net assets without donor restrictions, unless donor stipulations require otherwise.

Land, Buildings and Equipment

Land, buildings, and equipment are recorded at their acquisition cost, or, if received as a gift, at their estimated fair value at the time of the gift. When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. Expenditures for repairs and maintenance are expensed as incurred.

Finance leases are recorded at present value at the lease inception date. Property and equipment leases are amortized on a straight-line basis over the shorter of the lease term or the equipment's estimated useful life. Amortization expense related to leases is included in depreciation within the consolidated statement of activities.

Depreciation expense is calculated on a straight-line basis over the estimated useful lives of the assets. The University periodically reviews these useful life estimates and, when necessary, makes prospective adjustments. If significant events or changes in operating conditions occur, asset lives may be reassessed, and impairment evaluations may be performed to determine if the carrying amounts are recoverable.

Useful lives are as follows:

Land improvements	10 to 20 years
Buildings and improvements	10 to 40 years
Equipment	3 to 10 years

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Deposits and Deferred Revenue

Deposits and deferred revenue represent payments received in advance for services that have not yet been provided. These amounts primarily consist of revenue from student tuition, educational fees, and advance payments for sponsored research programs.

Split-Interest Agreements

The University's split-interest agreements with donors are included in investments and consist of charitable gift annuities, charitable lead trusts, charitable remainder trusts, and pooled income arrangements. These assets are either managed by the University or by third-party trustees, with payments made to beneficiaries according to the terms of the agreements. At the end of the agreement's term, remaining amounts are distributed to the University or other beneficiaries.

Annual distributions to beneficiaries may be a fixed dollar amount or a percentage of the trust's fair value. Upon receiving a gift that requires the University or trustee to make periodic payments to donors, the University records the gift at fair value and establishes a corresponding liability for the future payments owed to beneficiaries. This liability is adjusted throughout the term of the gift.

The University recognizes its beneficial interest in split-interest agreements when the amounts become estimable and probable. The present value of payments to beneficiaries is calculated using discount rates effective on the date of the gift, ranging from approximately 0.4% to 11.2%.

Asset Retirement Obligations

An asset retirement obligation ("ARO") is a legal obligation associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the ARO liability resulting from the passage of time or revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The University derecognizes ARO liabilities when the related obligations are settled.

Tax-Exempt Status

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is generally exempt from income taxes pursuant to Section 501(a) of the Code.

Sponsored Research

The University receives sponsored program funding from various governmental and corporate sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in most cases are as related costs are incurred.

Revenues from nonexchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid. Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

In 2024 and 2023, sponsored programs revenue earned from governmental sources total \$45,216,000 and \$37,830,000, respectively. Indirect costs recovered on federally sponsored programs are based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. Funds received for sponsored research activity are subject to audit. Based upon information currently available, management believes that any liability resulting from such audits will not materially affect the financial position or operations of the University.

Tuition and Fee Revenue

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Institutional aid, in the form of scholarships and grants-in-aid, includes amounts funded by the endowment, research funds, and gifts, and reduces the published price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Institutional aid provided to students was \$143,697,000 in 2024 and \$127,865,000 in 2023.

The University offers a summer term that spans two reporting periods. Payments of tuition and housing for the summer terms are recognized as performance obligations are met. Because the academic term spans two reporting periods, a portion of the revenues are deferred at June 30, 2024 and 2023.

Auxiliary Services Revenue

Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services provided.

Auxiliary services revenue includes revenues from contracts with customers to provide student housing and dining facilities.

Payments for these services are due approximately one week prior to the start of the academic term for undergraduate students and on the first of each month for graduate students. Dining plans are not offered during the summer terms. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered.

Recent Accounting Pronouncements

On July 1, 2023, the University adopted Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("CECL"), or ASU No. 2016-13, using the modified retrospective approach. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including customer accounts receivable. Following the adoption of the new standard, the University's process of estimating expected credit losses remains materially consistent with its historical practice. Therefore, the adoption did not have a material effect on reported assets, liabilities, or net assets.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE 3 - ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consist of the following at June 30 (in thousands):

	2024	2023
Sponsored research	\$ 9,172	\$ 9,784
Student receivables	3,585	3,326
Other receivables	2,965	2,059
	15,722	15,169
Less: allowance for credit losses	(1,547)	(1,454)
	<u>\$ 14,175</u>	<u>\$ 13,715</u>

NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET

Unconditional promises are expected to be received in the following periods at June 30 (in thousands):

	2024	2023
In one year or less	\$ 9,830	\$ 9,615
Between one and five years	23,234	23,348
	33,064	32,963
Less:		
Discount to present value	(1,916)	(1,723)
Allowance for credit losses	(2,665)	(2,436)
	<u>\$ 28,483</u>	<u>\$ 28,804</u>

As of June 30, 2024 and 2023, the University has approximately \$132,614,000 and \$115,412,000, respectively, of conditional promises to give that are not recognized as assets in the accompanying consolidated statements of financial position.

NOTE 5 - STUDENT LOANS RECEIVABLE, NET

The University makes uncollateralized loans to students based on financial need. Student loans are funded through Federal government loan programs or institutional resources.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Student loans receivable consist of the following at June 30 (in thousands):

	2024			2023		
	Federal	Institutional	Total	Federal	Institutional	Total
Student loans receivable	\$ 1,562	\$ 14,806	\$ 16,368	\$ 2,333	\$ 14,642	\$ 16,975
Less: allowance for credit losses						
Beginning of year	-	(394)	(394)	-	(359)	(359)
Decrease (increases)	-	19	19	-	(35)	(35)
End of year	-	(375)	(375)	-	(394)	(394)
Student loans receivable, net	\$ 1,562	\$ 14,431	\$ 15,993	\$ 2,333	\$ 14,248	\$ 16,581

Historically the University participated in the Federal Perkins Loan Program revolving loan program. Congress did not renew the program after September 30, 2017 and no disbursements were permitted after June 30, 2018. The University has elected to continue to collect on the loans and return the federal portion collected on an annual basis. Funds advanced by the Federal government and their share of student loan activity totals \$1,815,000 and \$2,527,000 at June 30, 2024 and 2023, respectively.

The following amounts were past due under student loan programs at June 30 (in thousands):

	1-60 Days	60-90 Days	90+ Days	Total Past Due
June 30, 2024	\$ 5	\$ 7	\$ 631	\$ 643
June 30, 2023	\$ 5	\$ 6	\$ 793	\$ 804

Allowances for credit losses are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible.

NOTE 6 - BENEFICIAL INTEREST IN TRUSTS

Beneficial interest in trusts are carried at fair value using discounted present value and other similar methodologies. The following table summarizes the changes in these trusts during the years ended June 30 (in thousands):

	2024	2023
Fair value, beginning of year	\$ 16,474	\$ 16,846
Net realized (losses) and gains	941	(275)
Distributions, net	(1,838)	(97)
Fair value, end of year	\$ 15,577	\$ 16,474

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE 7 - INVESTMENTS

Investments at June 30, 2024 are as follows (comparative totals are included for 2023) (in thousands):

	2024			2023
	Endowment and Similar Funds	Split-Interest Agreements	Total	Total
Cash and cash equivalents	\$ 1,456	\$ 158	\$ 1,614	\$ 3,247
Equity securities	66,005	11,082	77,087	70,498
Fixed income securities	51,724	2,720	54,444	90,805
Alternative investments				
Equity funds	383,941	-	383,941	327,953
Fixed income funds	63,453	-	63,453	66,538
Private equity funds	95,756	-	95,756	100,883
Real estate	47,680	-	47,680	44,563
Total investments	<u>\$ 710,015</u>	<u>\$ 13,960</u>	<u>\$ 723,975</u>	<u>\$ 704,487</u>

Investments at June 30, 2024 are as follows (in thousands):

	Quoted Prices in Active Markets (Level 1)	NAV Practical Expedient	Total
Cash and cash equivalents	\$ 1,614	\$ -	\$ 1,614
Equity securities	77,087	-	77,087
Fixed income securities	54,444	-	54,444
Alternative investments			
Equity funds	-	383,941	383,941
Fixed income funds	-	63,453	63,453
Private equity funds	-	95,756	95,756
Real estate	-	47,680	47,680
Total investments	<u>\$ 133,145</u>	<u>\$ 590,830</u>	<u>\$ 723,975</u>

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Investments at June 30, 2023 are as follows (in thousands):

	Quoted Prices in Active Markets (Level 1)	NAV Practical Expedient	Total
Cash and cash equivalents	\$ 3,247	\$ -	\$ 3,247
Equity securities	70,498	-	70,498
Fixed income securities	90,805	-	90,805
Alternative investments			
Equity funds	-	327,953	327,953
Fixed income funds	-	66,538	66,538
Private equity funds	-	100,883	100,883
Real estate	-	44,563	44,563
Total investments	<u>\$ 164,550</u>	<u>\$ 539,937</u>	<u>\$ 704,487</u>

As of June 30, 2024 and 2023, there were no investments to disclose as Level 2 or Level 3 in the fair value hierarchy.

Fair values of equity, fixed income and commodity securities are generally based on published fair values. The University invests in hedge funds, private equity, and real estate investments through various limited partnerships and similar vehicles. Hedge funds utilize a variety of investment strategies incorporating marketable securities and, in some cases, derivative instruments, all of which are reported at estimated fair value by the fund managers. Private equity funds consist of long-term private investments and have been valued based on estimates provided by the general partners of the investment vehicles. Investments in limited partnerships and limited liability companies (generally referred to as "limited partnerships") for which readily ascertainable fair values are not available are reported at estimated fair value as determined by management or at the investment NAV as a practical expedient. Investments in limited partnerships are generally valued based upon the most recent NAV or capital account information available from the general partner of the investment limited partnership, taking into consideration, where applicable, other information determined to be a reliable indicator of fair value. These factors include rights and obligations, restrictions or illiquidity on such interest, potential claw backs, and the fair value of the limited partnership's investment portfolio or other assets and liabilities. The values assigned to investments in limited partnerships are based upon available information and do not necessarily represent amounts which might ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been realized had a ready market for the investments existed and those differences could be material.

Alternative investments consist of noncontrolling, limited marketability stock holdings and investments in limited partnerships. The fair values of investments in limited partnerships have been valued based on the NAV provided by the fund managers of these investment vehicles and reviewed by management.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

The following tables summarize key provisions for the University's alternative investments valued at NAV (in thousands) as of June 30, 2024:

<u>Asset Class</u>	<u>Strategy</u>	<u>Fair Value</u>	<u>Remaining Life</u>	<u>Unfunded Commitment</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Absolute Return - Market Neutral	Global equity and fixed income funds in market neutral categories	\$ 68,614	Up to 20 Years	\$ -	Redemption terms range from quarterly with 60 to 90 days' notice to annually with 45 to 90 days' notice.	Lock -up provisions range from none to redemptions limited to 1/3 of the value annually.
Private Equity	Venture capital and buyout in the US and global markets	87,684	Up to 7 Years	41,300	Private equity structure with no ability to redeem.	Not redeemable
Directional Hedge	Global long/short equity funds	114,625	Up to 7 Years	-	Redemption terms range from quarterly with 60 days' notice to every five years with 90 days' notice.	No lock-up provisions
Public Equity	Primarily in long only equity, tracks performance or relevant index	241,898	No limit	-	Redemption terms range from 10 business days in advance of valuation date to monthly redemptions with 7 days' notice.	Ranges from no additional restrictions to partial redemptions allowed but may require full redemption if capital is below \$1M.
Fixed Income	Primarily in domestic bonds, tracks performance	22,257	No limit	-	Daily redemption with a notice period ranging from 0 to 2 business days.	
Private Credit	Primarily in illiquid distressed and opportunistic credit and lending funds	8,072	No limit	8,037	Redemption terms vary from daily to illiquid.	
Real Estate	US real estate	47,680	Up to 4 Years	26,695	Private equity structure with no ability to redeem.	Not redeemable
		<u>\$ 590,830</u>		<u>\$ 76,032</u>		

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

The following tables summarize key provisions for the University's alternative investments valued at NAV (in thousands) as of June 30, 2023:

<u>Asset Class</u>	<u>Strategy</u>	<u>Fair Value</u>	<u>Remaining Life</u>	<u>Unfunded Commitment</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Absolute Return - Market Neutral	Global equity and fixed income funds in market neutral categories	\$ 62,759	Up to 21 Years	\$ -	Redemption terms range from quarterly with 60 to 90 days' notice to annually with 45 to 90 days' notice.	Lock-up provisions range from none to redemptions limited to 1/3 of the value annually.
Private Equity	Venture capital and buyout in the US and global markets	98,877	Up to 8 Years	47,070	Private equity structure with no ability to redeem. Redemption terms range from quarterly with 60 days' notice to every five years with 90 days' notice.	Not redeemable
Directional Hedge	Global long/short equity funds	95,374	Up to 28 Years	-	Redemption terms range from 10 business days in advance of valuation date to monthly redemptions with 7 days' notice. Daily redemption with a notice period ranging from 0 to 2 business days.	No lock-up provisions
Public Equity	Primarily in long only equity, tracks performance or relevant index	207,368	No limit	-	Redemption terms range from 10 business days in advance of valuation date to monthly redemptions with 7 days' notice.	Ranges from no additional restrictions to partial redemptions allowed but may require full redemption if capital is below \$1M.
Fixed Income	Primarily in domestic bonds, tracks performance	28,990	No limit	-	Daily redemption with a notice period ranging from 0 to 2 business days.	
Private Credit	Primarily in illiquid distressed and opportunistic credit and lending funds	2,006	No limit	5,175	Redemption terms vary from daily to illiquid.	
US real estate		44,563	Up to 4 Years	24,550	Private equity structure with no ability to redeem	Not redeemable
		<u>\$ 539,937</u>		<u>\$ 76,795</u>		

Endowment Income and Spending

In addition to current yield (interest, dividends, and net rental income), the University has interpreted Massachusetts state law to allow for the utilization of capital appreciation on donor-restricted endowment funds unless explicit donor stipulations specify how net appreciation must be used. Accordingly, the University segregates capital appreciation between that which can be used for current operations and that which is attributable to donor-restricted endowment funds. For financial reporting purposes, current yield and capital appreciation attributed to donor-restricted endowment funds are considered restricted until appropriated for use, and the historic dollar value of such funds is considered restricted in perpetuity.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

The University has adopted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) statute. UPMIFA provides guidance for investment management; enumerates guidelines for prudent investing; and eliminates the concept of “historic dollar value” for donor-restricted endowments. Accordingly, the University has not limited appropriation of underwater funds to current yield.

The University has adopted investment and spending policies for its endowment and similar funds that attempt to provide a predictable stream of funding for its programs. To satisfy its long-term rate-of-return objectives, the University relies on a total return approach in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield.

To achieve its long-term objectives within prudent risk parameters, the University targets a diversified asset allocation as follows:

<u>Asset Allocation Policy</u>	<u>Target %</u>
Global equity	50
Private equity/venture capital	20
Private credit	5
Flexible capital	10
Fixed income	2.5
Real assets	12.5

The University observes a spending rule with respect to total return (interest, dividends, and appreciation) on investments of the endowment and similar funds. Under the spending rule, the University appropriated 4.6% of its endowment and similar funds’ average unit fair value for the previous twelve quarters, from the beginning of the fiscal year, for the years ended June 30, 2024 and 2023, respectively.

Endowment and Similar Funds

The endowment and similar funds’ net asset composition as of June 30, 2024 and 2023 and the changes for the years then ended are as follows (in thousands):

	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 418,836	\$ 418,836
Quasi-endowment	261,163	-	261,163
	<u>\$ 261,163</u>	<u>\$ 418,836</u>	<u>\$ 679,999</u>
Balance, June 30, 2023	\$ 245,845	\$ 382,920	\$ 628,765
Investment return	32,975	38,667	71,642
Contributions	832	6,022	6,854
Appropriated for expenditure	<u>(17,615)</u>	<u>(9,647)</u>	<u>(27,262)</u>
Balance, June 30, 2024	<u>\$ 261,163</u>	<u>\$ 418,836</u>	<u>\$ 679,999</u>

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment	\$ -	\$ 382,920	\$ 382,920
Quasi-endowment	245,845	-	245,845
	<u>\$ 245,845</u>	<u>\$ 382,920</u>	<u>\$ 628,765</u>
Balance, June 30, 2022	\$ 232,329	\$ 354,778	\$ 587,107
Investment return	29,403	29,676	59,079
Contributions	1,683	6,288	7,971
Appropriated for expenditure	<u>(17,570)</u>	<u>(7,822)</u>	<u>(25,392)</u>
Balance, June 30, 2023	<u>\$ 245,845</u>	<u>\$ 382,920</u>	<u>\$ 628,765</u>

Split-Interest Agreements

Investments include the following split-interest agreements at June 30 (in thousands):

	2024	2023
Charitable remainder trusts	\$ 6,500	\$ 6,418
Charitable gift annuities	6,595	5,705
Pooled income funds	<u>865</u>	<u>822</u>
	<u>\$ 13,960</u>	<u>\$ 12,945</u>

NOTE 8 - LAND, BUILDINGS AND EQUIPMENT, NET

Land, buildings and equipment, net, consist of the following at June 30 (in thousands):

	2024	2023
Land and land improvements	\$ 43,618	\$ 43,580
Buildings and improvements	723,977	683,292
Equipment	155,426	150,739
Long-term lease assets	<u>26,166</u>	<u>34,769</u>
	949,187	912,380
Less: accumulated depreciation	<u>(434,257)</u>	<u>(401,422)</u>
	514,930	510,958
Construction-in-progress	<u>24,144</u>	<u>7,561</u>
	<u>\$ 539,074</u>	<u>\$ 518,519</u>

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Depreciation expense charged to operations was approximately \$32,835,000 and \$31,693,000 for the years ended June 30, 2024 and 2023, respectively.

NOTE 9 - LEASES

The University is a lessee or lessor of real estate and office space, as well as equipment. The University determines whether a contract is a lease at inception of the contract. When evaluating contracts for embedded leases, the University exercises judgement to determine if there is an explicit or implicit identified asset in the contract and if the University controls the use of that asset. Embedded leases are immaterial to the consolidated financial statements.

Certain real estate leases have renewal options and the lease term includes options to extend or terminate the lease when it is reasonably certain that the University will exercise that option.

Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Lease assets and liabilities are recognized based on the present value of lease payments over the lease term. The majority of the University's leases do not have a readily determinable implicit discount rate and in those cases the University uses its incremental borrowing rate to calculate the present value of lease payments. As a practical expedient, the University has made an accounting policy election for all asset classes not to separate lease components from nonlease components in the event that the agreement contains both. The University includes both lease and nonlease components for purposes of calculating the right-of-use asset and related lease liability. For finance leases, interest expense on the lease liability is recognized using the effective interest method and amortization of the right-to-use asset is recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

During the year ended June 30, 2023, the University entered into a 40-year operating agreement with a third party to manage and upgrade the existing powerplant. This long-term utility agreement includes an upfront \$45 million payment and an exclusive right to sell to the University electricity, steam/hot water, and chilled water. Through this 40-year agreement the University agreed to sell certain utility assets to a newly formed entity, WPI Utility P3, LLC at a price of \$14,103,600 and to grant them the right to operate the utility systems for the duration of the agreement at a price of \$30,896,400.

The University assessed the transaction as a sale leaseback transaction under Financial Accounting Standards Board Accounting Standards Codification 842 and concluded that ultimately the transaction did not meet the definition of a sale. Therefore, the University did not follow sale leaseback accounting. Instead, the University continued to recognize the fixed assets with their net book value of approximately \$2.6 million and continued depreciating them over their useful lives. Separately, the University recognized the cash received of \$45 million as an operating lease liability for the future payments to be made.

The table below presents certain information related to the lease costs for leases (in thousands):

	2024	2023
Finance lease cost		
Amortization of leased assets	\$ 334	\$ 334
Interest on lease liabilities	66	548
Operating lease cost	4,390	4,503
Short-term and variable lease costs	3,974	4,828
	<hr/>	<hr/>
Total lease cost	\$ 8,764	\$ 10,211
	<hr/>	<hr/>

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Supplemental financial position information related to operating and finance leases (in thousands) as of June 30, 2024 is as follows:

	Classification on the Statement of Financial Position	2024
Assets		
Operating lease assets	Land, buildings and equipment, net	\$ 8,746
Finance lease assets	Land, buildings and equipment, net	1,170
Total lease assets		\$ 9,916
Liabilities		
Lease liabilities	Operating lease liabilities	\$ 9,042
Finance leases	Operating lease liabilities	51,872
Total lease liabilities		\$ 60,914
Weighted-average remaining lease term		
Operating leases		4.6 years
Finance leases		87.2 years
Weighted-average discount rate		
Operating leases		2.92%
Finance leases		3.23%

The table below presents supplemental cash flow information related to leases (in thousands):

	2024
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows for operating leases	\$ 4,390
Operating cash flows for finance leases	1,579
	\$ 5,969

Future minimum lease payments under operating leases (in thousands) at June 30, 2024 is as follows:

Year Ending June 30,	Amount Due
2025	\$ 5,313
2026	5,034
2027	4,960
2028	4,669
2029	4,139
Thereafter	86,992
	111,107
Less: imputed interest	(50,193)
Total lease liabilities	\$ 60,914

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE 10 - BONDS AND NOTES PAYABLE, NET

Bonds and notes payable consist of the following (in thousands) at June 30:

Purpose and Definition	Maturity Date	Interest Rate %	Original Issue	Amount Due Within One Year	Balance, June 30, 2024	Balance, June 30, 2023
Bonds payable						
MDFA 2008 Series A ⁽¹⁾	9/1/2035	Variable	\$ 54,815	\$ 2,090	\$ 28,905	\$ 31,346
MDFA 2014 Series ⁽¹⁾	9/1/2029	2.5-3.1	2,782	219	2,877	3,090
MDFA 2016 Series ⁽²⁾	9/1/2052	3.0-5.0	49,030	-	37,189	43,149
Worcester Polytechnic Institute 2016 Series ⁽¹⁾	9/1/2056	4.338	56,905	-	56,905	56,905
MDFA 2017A Series ⁽³⁾	9/1/2047	3.0-5.0	14,435	360	13,297	14,440
MDFA 2017B Series ⁽⁴⁾	9/1/2045	5.0	52,990	-	45,728	54,736
MDFA 2019 Series ⁽⁵⁾	9/1/2059	4.0-5.0	113,640	-	107,689	133,315
MDFA 2022 Series ⁽¹⁾	6/30/2042	2.2	42,540	1,076	40,532	41,557
People's Bank Loan	6/30/2047	4.6	22,000	517	21,080	-
Uncollateralized notes						
Capital lease obligations	Various	Various	-	99	258	205
Other short-term financing obligations	Various	Various	-	-	20,512	20,000
				4,361	374,972	398,743
Less: deferred financing costs, net of amortization				-	(2,248)	(2,623)
Total bonds and notes payable				\$ 4,361	\$ 372,724	\$ 396,120

⁽¹⁾ The bonds, issued at par with no discount or premium, represent a general obligation of the University.

⁽²⁾ The bonds represent a general obligation of the University. The balance at June 30, 2024 includes a premium of approximately \$3,729,000.

⁽³⁾ The bonds represent a general obligation of the University. The balance at June 30, 2024 includes a premium of approximately \$1,812,000.

⁽⁴⁾ The bonds represent a general obligation of the University. The balance at June 30, 2024 includes a premium of approximately \$5,303,000.

⁽⁵⁾ The bonds represent a general obligation of the University. The balance at June 30, 2024 includes a premium of approximately \$15,519,000.

There were no funds held under bond agreements at June 30, 2024 for construction and debt service reserves regarding the University's various bond indentures.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Scheduled aggregate principal repayments on bonds and notes payable for each of the next five fiscal years and thereafter are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Amount Due</u>
2025	\$ 4,361
2026	4,429
2027	4,614
2028	5,513
2029	5,709
Thereafter	<u>323,983</u>
Total cash payments	348,609
Premium	<u>26,363</u>
	<u>\$ 374,972</u>

In June 2022, the University refunded \$42,540,000 in the form of MDFA Revenue Bond Series 2022, formerly Series 2012 Bonds. The original proceeds from the issue were used to finance the development, construction, furnishing, and equipping of an approximately 250-bed-apartment-style residence hall and other renovations, repairs, and improvements to campus facilities. The 2022 bonds are fixed rate bonds payable in annual installments with principal payments ranging from \$983,000 to \$19,012,000 beginning June 30, 2023, and a fixed interest rate of 2.22%. The final maturity is June 30, 2042.

The University also has a \$50,000,000 bank revolving line of credit. The line of credit bears interest at an adjusted SOFR rate plus 1.25% per month on outstanding amounts. The balance outstanding was approximately \$20,500,000 and \$20,000,000 at June 30, 2024 and 2023, respectively. Related interest expense was \$378,000 and \$49,000 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11 - INTEREST RATE AGREEMENTS

The University has entered into several interest rate swap agreements used to economically hedge the interest rate risk associated with certain of its variable rate debt obligations. The following summarizes the terms for each of these agreements as of June 30 (dollars in thousands):

	<u>Series 2008 A</u>		<u>Barclays</u>	
	<u>Deutsche</u>		<u>Bank PLC</u>	
	<u>Bank AG</u>			
Trade/effective date	Nov. 3, 2008		Nov. 3, 2008	
Initial notional amount	\$	14,100	\$	34,200
Termination date	Oct. 1, 2033		Sept. 1, 2035	
Rate paid by University	4.650%		3.71%	
Rate paid by Counterparty	71% of one-month LIBOR		SOFR + 11.448 bps	
<u>Fair Value Liability</u>	<u>Level 1</u>		<u>Level 2</u>	
			<u>Total</u>	
June 30, 2024	\$	655	\$	745
June 30, 2023	\$	831	\$	1,044
			\$	1,875

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

The net unrealized loss and gain that was recognized for the interest rate swap agreements for the years ended June 30, 2024 and 2023 was approximately a gain of \$407,000 and \$1,023,000, respectively, and has been recorded as changes in value of interest rate agreements on the accompanying consolidated statements of activities.

The interest rate swap agreements contain provisions requiring collateral postings should the fair value liability of the University exceed certain amounts based on the University's long-term credit ratings. The collateral posting provision for the agreement with Deutsche Bank AG is triggered should the fair value liability exceed \$40 million and the University's long-term credit rating remains at A1/A+. Barclays Bank PLC is triggered should the combined fair value liability exceed \$40 million and the University's long-term credit rating declines to A2/A. At its current ratings level of A2/A, a combined fair value liability in excess of \$40 million will trigger a posting requirement for the Barclays Bank PLC agreements. The current combined debt and swap liability is \$33 million at June 30, 2024. The provisions with both counterparties provide that the liability threshold increases if the University's long-term credit ratings decline. At June 30, 2024, the University is not required to post collateral to its counterparties.

NOTE 12 - RETIREMENT PLAN

The University participates in a defined contribution retirement plan for substantially all of its employees. Employees may elect to invest in various accounts with the Teachers' Insurance and Annuity Association of America ("TIAA"), Fidelity Investments, or a combination of both. Contributions were approximately \$11,224,000 and \$10,495,000 for the years ended June 30, 2024 and 2023, respectively. Contributions are based upon a percentage of the employees' compensation.

NOTE 13 - FUNCTIONAL EXPENSES

Expenses are presented by functional classification in the following tables. Each functional classification includes all expenses related to the underlying operations by natural classification. The costs of operation and maintenance of plant, depreciation, and interest expense have been allocated across all functional expense categories to reflect the full cost of those activities.

Costs are allocated using the following methods: Expenses pertaining to depreciation, administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant are allocated based on square footage. Interest expense is allocated based on usage of debt-financed space.

The following summarizes the allocation of functional expenses as of June 30 (dollars in thousands):

	2024						
	Instruction and Research	Sponsored Research	Student Services	Auxiliary Enterprises	External Relations	Institution and Academic Support	Total
Wages and benefits	\$ 112,584	\$ 34,212	\$ 14,401	\$ 6,248	\$ 11,301	\$ 38,524	\$ 217,270
Operating expenses	19,707	24,145	7,503	21,855	2,118	21,340	96,668
Depreciation	10,789	5,341	5,387	8,392	174	6,557	36,640
Interest expense	3,670	647	1,773	3,854	30	590	10,564
Total operating expenses	<u>\$ 146,750</u>	<u>\$ 64,345</u>	<u>\$ 29,064</u>	<u>\$ 40,349</u>	<u>\$ 13,623</u>	<u>\$ 67,011</u>	<u>\$ 361,142</u>

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

	2023						
	Instruction and Research	Sponsored Research	Student Services	Auxiliary Enterprises	External Relations	Institution and Academic Support	Total
Wages and benefits	\$ 103,940	\$ 25,033	\$ 11,606	\$ 842	\$ 10,564	\$ 38,493	\$ 190,478
Operating expenses	28,294	22,651	11,142	31,347	2,856	24,169	120,459
Depreciation	9,112	4,598	5,182	7,499	117	4,997	31,505
Interest expense	4,824	1,041	2,633	3,745	18	455	12,716
Total operating expenses	<u>\$ 146,170</u>	<u>\$ 53,323</u>	<u>\$ 30,563</u>	<u>\$ 43,433</u>	<u>\$ 13,555</u>	<u>\$ 68,114</u>	<u>\$ 355,158</u>

External relations expenditures include approximately \$9,137,000 and \$8,237,000 of fundraising expenses for the years ended June 30, 2024 and 2023, respectively.

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following summarizes the financial assets available to meet the University's general expenditures (dollars in thousands), as of June 30, 2024:

	Resources Available at 6/30/24	Resources Appropriated by the Board and Available in FY 2025	Resources not Available Within 12 Months	Total
Financial assets available within 12 months				
Cash and cash equivalents	\$ 2,351	\$ -	\$ -	\$ 2,351
Accounts receivable, net	14,175	-	-	14,175
Forecasted payout on board designated endowments	-	17,937	-	17,937
Investments not subject to donor restrictions or board designations	<u>-</u>	<u>10,937</u>	<u>-</u>	<u>10,937</u>
Total financial assets available within 12 months	16,526	28,874	-	45,400
Financial assets not available for expenditures within 12 months				
Cash, cash equivalents and investments	-	-	723,975	723,975
Contributions not due within one year	23,483	-	-	23,483
Student loan receivables, net	-	-	15,993	15,993
Liquidity resources				
Bank line of credit (less balance outstanding as of June 30, 2023)	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Total financial assets and other liquidity resources	<u>\$ 70,009</u>	<u>\$ 28,874</u>	<u>\$ 739,968</u>	<u>\$ 838,851</u>

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments. When reviewing available resources required to meet its expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

In addition to the financial assets available to meet expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources.

Included in financial assets not available for expenditure at June 30, 2024, the University had \$261,163,000 of board-designated endowments that, with the Board's approval, could be made available for expenditures.

Of the University's investments, 56% are redeemable within 30 days, 25% may be redeemed either at future specified redemption dates or currently by incurring a penalty, and 19% are in real estate, private equities, and other private investments. Constraints that limit the University's ability to withdraw capital after such investments are made may limit the amount available for withdrawal at a given redemption date which could limit the University's ability to respond quickly to changes in market conditions.

NOTE 15 - NET ASSETS

Net assets consist of the following at June 30 (in thousands):

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds			
Long-term investment (quasi-endowment)	\$ 261,163	\$ -	\$ 261,163
Original principal	-	257,101	257,101
Unspent income and appreciation			
Scholarship support	-	112,650	112,650
Faculty support	-	24,127	24,127
Program support	-	24,958	24,958
Total endowment funds	261,163	418,836	679,999
Split-interest agreements and perpetual trusts	2,218	21,602	23,820
Student loan funds	14,513	4,483	18,996
Gifts and other unexpended revenues			
Acquisition of building and equipment	-	3,411	3,411
Instruction, research and institutional support	-	37,028	37,028
Undesignated	86,931	-	86,931
	<u>\$ 364,825</u>	<u>\$ 485,360</u>	<u>\$ 850,185</u>

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds			
Long-term investment (quasi-endowment)	\$ 245,845	\$ -	\$ 245,845
Original principal	-	249,221	249,221
Unspent income and appreciation			
Scholarship support	-	94,512	94,512
Faculty support	-	19,575	19,575
Program support	-	21,322	21,322
Total endowment funds	245,845	384,630	630,475
Split-interest agreements and perpetual trusts	1,414	22,224	23,638
Student loan funds	14,225	4,423	18,648
Gifts and other unexpended revenues			
Acquisition of building and equipment	-	1,100	1,100
Instruction, research and institutional support	-	36,188	36,188
Undesignated	89,238	-	89,238
	<u>\$ 350,722</u>	<u>\$ 448,565</u>	<u>\$ 799,287</u>

NOTE 16 - RELATED PARTIES

The Alumni Association of Worcester Polytechnic Institute ("Alumni Association"), a separate 501(c)(3) organization, invests the majority of its funds in the University's endowment. At June 30, 2024 and 2023, funds held for others in the consolidated statements of financial position include Alumni Association assets of \$2,951,000 and \$2,956,000, respectively. There are no other material related party transactions as of and for the years ended June 30, 2024 and 2023.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Construction Contracts

For the years ended June 30, 2024 and 2023, the University had contracted for various renovations and construction projects across campus totaling approximately \$2,185,000 and \$14,927,000, respectively.

Investments

The University is obligated under certain limited partnership agreements and other alternative investment arrangements to advance additional funding periodically up to specified levels. At June 30, 2024 and 2023, the University had unfunded commitments of approximately \$76,032,000 and \$76,032,000, respectively, that can be called through fiscal year 2030. These commitments will be funded from the University's existing cash and investments.

Guarantees

The University has guaranteed commercial loans with an outstanding amount of approximately \$3,201,000 to six fraternities. These loans are collateralized by real property owned by the fraternities.

Worcester Polytechnic Institute

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Uncertain Tax Positions

The University is generally exempt from federal and state income taxes. Management annually reviews for uncertain tax positions along with any related interest and penalties and believes that the University has no uncertain tax positions that would have a material adverse effect, individually or in the aggregate, upon the University's consolidated statement of financial position or the related consolidated statements of activities or cash flows.

Sponsored Research

The University's sponsored research program and indirect cost recovery are subject to audit by the respective sponsoring federal agency as provided for in federally sponsored research regulations. Management believes that any such audit will not have a material adverse effect, individually or in the aggregate, upon the University's consolidated statement of financial position or the related consolidated statements of activities or cash flows.

Self-insured Medical Claims

The University is self-insured for medical claims and is a member of a captive insurer providing stop-loss insurance to cover plan expenses in excess of certain limits. Management believes insurance claims that have occurred as of June 30, 2024 and 2023 but not yet reported or paid have been adequately reserved.

Other Commitments and Contingencies

In May 2009, the University entered into a payment in lieu of taxes ("PILOT") agreement with the City of Worcester. The 25 year agreement provides for the University to pay approximately \$800,000 annually in voluntary payments, increasing 2.5% annually. The agreement calls for the City of Worcester to use these amounts to support the operations of the Worcester Public Library and for the implementation of the master plan to renovate Institute Park. In April 2015, the PILOT agreement was amended to increase the voluntary payment by an additional \$130,000 annually, also increasing 2.5% annually.

The University is also involved in various legal actions arising in the normal course of its activities. Although the ultimate outcome is not determinable at this time, management, after taking into consideration advice of legal counsel believes that the resolution of these pending matters will not have a material adverse effect, individually or in the aggregate, upon the University's consolidated statement of financial position or the related consolidated statements of activities or cash flows.

NOTE 18 - SUBSEQUENT EVENTS

Management has assessed subsequent events for the period from June 30, 2024 to November 5, 2024, the date the financial statements were issued, and has determined that no subsequent events necessitate recognition in the consolidated financial statements or disclosure in the notes of the consolidated financial statements, except as outlined below.

On September 12, 2024, Worcester Polytechnic Institute completed the purchase of two hotel properties for a total purchase price of \$46 million. The acquisition was financed through a combination of taxable and tax-exempt variable-rate debt, with interest rates tied to the Secured Overnight Financing Rate. The University plans to operate the hotels as commercial properties for a minimum of 18 months, after which the properties may be converted into student housing as deemed necessary by the University.

UNIFORM GUIDANCE SUPPLEMENTARY INFORMATION

Worcester Polytechnic Institute
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Amounts Passed Through to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER				
<u>U.S. Department of Education</u>				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 673,018	\$ -
William D. Ford Federal Direct Stafford Loan Program	84.268		30,844,446	-
Work Study Program	84.033		850,747	-
Pell Grant Program	84.063		3,591,571	-
Perkins Loan Program				-
Outstanding Loans as of July 1, 2023	84.038		2,527,000	-
Total Student Financial Assistance Cluster			38,486,782	-
RESEARCH AND DEVELOPMENT CLUSTER				
<u>Department of Agriculture</u>				
Research Joint Venture and Cost Reimbursable Agreements	10.707		43,479	-
Environmental Quality Incentives Program	10.912		287,922	96,630
Agricultural Statistics Reports	10.950		2,226	-
Pass-Through Programs From				
North Carolina Agricultural and Technical State University	10.310	241112A / 2020-67021-39133	79,540	-
Total Department of Agriculture			413,167	96,630
<u>Department of Commerce</u>				
National Institute for Standards and Technology				
Measurement and Engineering Research and Standards	11.609		113,606	5,780
Total National Institute for Standards and Technology			113,606	5,780
National Oceanic and Atmospheric Administration				
Climate and Atmospheric Research	11.431		25,868	4,250
Pass-Through Programs From				
University of Puerto Rico	11.431		57,090	-
Total National Oceanic and Atmospheric Administration			82,958	4,250
Total Department of Commerce			196,564	10,030
<u>Department of Defense</u>				
Defense Advanced Research Projects Agency				
Research and Technology Development	12.910		200,336	-
Pass-Through Programs From				
University of California, Riverside	12.910	D24AC00011/S1726	200,017	-
Total Defense Advanced Research Projects Agency			400,353	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	AmountsPassed Through to Subrecipients
Department of the Air Force				
Military Medical Research and Development	12.420		\$ 4,489	\$ -
Air Force Defense Research Sciences Program	12.800		1,235,121	189,151
Pass-Through Programs From				
National Center for Defense Manufacturing and Machining	12.800	FA8650-20-2-5700	229,644	146,281
ALAE Solutions, LLC	12.RD	AFX234-DCSO2 / FA8649-23-P-0482	160,521	-
MIT Lincoln Laboratory	12.RD	7000586826 / FA8702-15-D-0001	13,621	-
MIT Lincoln Laboratory	12.RD	7000591913 / FA8702-15-D-0001	7,385	-
MIT Lincoln Laboratory	12.RD	7000602290 / FA8702-15-D-0001	35,331	-
MIT Lincoln Laboratory	12.RD	PO: 7000524600 / FA8702-15-D-0001	106,169	-
Research Foundation of SUNY	12.RD	FA8650-15-2-522	78,121	-
Total Department of the Air Force			1,870,402	335,432
Department of the Army				
Basic Scientific Research	12.431		6,796,512	3,514,145
Direct Programs	12.RD		540,762	133,886
Pass-Through Programs From				
University of Massachusetts Lowell	12.360	S5131047977MN31 / W911QY2020005	47,855	-
Northeastern University	12.431	555080-78054 / W911NF2220001	1,704	-
Northeastern University	12.431	555092-78058 / W911NF2220001	377,999	-
Northeastern University	12.431	555093-78055 / W911QX23D0002	187,054	-
PPG Industries, Inc.	12.431	EPO-00225544 / W911NF-17-2-0227	49,700	-
Total Federal Assistance Listing Number 12.431			616,457	-
Advanced Regenerative Manufacturing Institute	12.630	T0137 / W911NF-17-3-003	52,960	-
Regents of University of Michigan	12.910	SUBK00020072 / W56HZV-19-2-0001	247,185	-
Colorado State University	12.RD	G-27001-03 / W912HQ19C0049	17,089	-
Solvus Global, LLC	12.RD	092023-01 / W56HZV-23-C-0038	1,198	-
Total Department of the Army			8,320,018	3,648,031
Department of the Navy				
Basic and Applied Scientific Research	12.300		66,370	-
Pass-Through Programs From				
University of Minnesota	12.910	N010492402 / N660012324016	88,773	-
Total Department of the Navy			155,143	-
Washington Headquarters Services				
Pass-Through Program From				
National Center for Manufacturing Sciences, Inc.	12.225	2022140-142232 / HQ0034-20-2-0007	319,001	-
National Center for Manufacturing Sciences, Inc.	12.225	2023203-142386 / HQ0034-24-2-0001	78,051	-
Solvus Global, LLC	12.225	2023113-142326-05 / HQ0034-20-2-0007	66,501	-
Total Washington Headquarters Services			463,553	-
National Security Agency				
Information Security Grants	12.902		74,063	-
Pass-Through Programs From				
Regents of the University of California, Davis	12.905	A24-1457-S001 / H98230-23-1-0090	26,540	-
Total National Security Agency			100,603	-
Total Department of Defense			11,310,072	3,983,463

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	AmountsPassed Through to Subrecipients
Department of Education				
Graduate Assistance in Areas of National Need	84.200		\$ 8,450	\$ -
Education Research, Development and Dissemination	84.305		932,992	605,159
Transformative Research in the Education Sciences	84.305T		100,517	85,955
Investing in Innovation (i3) Fund	84.411		1,667,016	1,197,485
Pass-Through Programs From				
Regents of University of Michigan	84.305	SUBK00013829 / R305D210031	88,693	-
Regents of University of Michigan	84.305	SUBK00013834 / R305D210029	65,472	-
University of Texas at Austin	84.305	UTA21-000135 / R305D210036	168,718	-
WestEd	84.305	S-00019408 / R305R220012	30,205	-
Total Federal Assistance Listing Number 84.305			353,088	-
The Assistments Foundation	84.411	22-003 / S411B210024	84,769	-
Total Department of Education			3,146,832	1,888,599
Department of Energy				
Conservation Research and Development	81.086		1,492,563	831,638
Renewable Energy Research and Development	81.087		187,994	33,836
Fossil Energy Research and Development	81.089		407,983	295,310
Advanced Research Projects Agency - Energy	81.135		21,606	-
Pass-Through Programs From				
The United States Advanced Battery Consortium LLC (USABC)	81.086	19-2240-ABC / DE-EE0006250	35,980	35,980
The United States Advanced Battery Consortium LLC (USABC)	81.086	21-2266-ABC / DE-EE0006250	493,883	228,786
Total Federal Assistance Listing Number 81.086			529,863	264,766
Phinix LLC	81.087	20-01-RR-4010-01 / DE-EE0007897	57,176	-
Saint-Gobain Ceramics and Plastics, Inc.	81.089	DE-FE0031972-001 / DE-FE0031972	50,686	-
Boston University	81.121	4500003785 / DE-NE0008937	13,521	-
Argonne National Laboratory	81.RD	3F-60137 / DE-AC02-06CH11357	105,000	-
Argonne National Laboratory	81.RD	4F-60173 / DE-AC02-06CH11357	21,823	-
Argonne National Laboratory	81.RD	9F-60039 / DE-AC02-06CH11357	63,920	-
Argonne National Laboratory	81.RD	9F-60088 / DE-AC02-06CH11357	957	-
BWXT Pantex, LLC	81.RD	PTX01-0000090910 / DE-NA0001942	350,675	-
Honeywell International, Inc	81.RD	N000510678 / DE-NA0002839	19,989	-
Leidos	81.RD	P010255093 / 89243318CFE000003	77,615	-
Total Department of Energy			3,401,371	1,425,550

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	AmountsPassed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health				
Research Related to Deafness and Communication Disorders	93.173		\$ 139,242	\$ -
Mental Health Research Grants	93.242		317,708	122,085
Drug Abuse and Addiction Research Programs	93.279		203,694	44,500
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		750,133	145,418
Trans-NIH Research Support	93.310		301,416	47,525
Cancer Detection and Diagnosis Research (B)	93.394		335,647	210,355
Cancer Biology Research	93.396		101,465	-
Cardiovascular Diseases Research	93.837		523,481	55,215
Lung Diseases Research	93.838		131,886	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		140,290	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		133,863	-
Allergy and Infectious Diseases Research	93.855		641,165	132,821
Biomedical Research and Research Training (B, M)	93.859		969,834	247,222
Child Health and Human Development Extramural Research	93.865		311,439	34,955
Aging Research	93.866		41,841	-
Medical Library Assistance	93.879		294,925	83,213
Pass-Through Programs From				
Massachusetts Eye and Ear Infirmary	93.173	531040 / R01DC016079	149,853	-
Massachusetts General Hospital	93.173	241254 / 1R01DC020891-01	101,050	-
Total Federal Assistance Listing Number 93.173			250,903	-
University of Massachusetts Medical School	93.242	OSP31228-00 / PO #: WA01018431 / 1-R34-MH123578-01	679	-
University of Massachusetts Medical School	93.242	PO #: WA01055190 / 29391-00 / R01MH118220	29,810	-
University of Massachusetts Medical School	93.242	SUB00000211 / PO#: WA01327515 / R34MH130934	64,940	-
University of Massachusetts Medical School	93.242	SUB00000358 / 1P50MH129701	143,393	-
University of Massachusetts Medical School	93.242	SUB00000424 / P50MH129701	83,207	-
Total Federal Assistance Listing Number 93.242			322,029	-
Q2i, LLC	93.279	R42DA056255-WPI / R42DA056255	25,562	-
University of Illinois - Urbana-Champaign	93.279	115228-19909 / 1R01DA059422	6,425	-
Total Federal Assistance Listing Number 93.279			31,987	-
Brigham and Women's Hospital, Inc.	93.286	125787 / R01EB030539	127,837	-
University of Massachusetts Medical School	93.361	PO #WA01260134 / SUB00000144 / R21NR020231	51,522	-
Johns Hopkins University	93.394	2004982698 / R01CA134675	35,096	-
Boston University	93.397	4500004703 / R01CA274743	37,135	-
Boston University	93.837	4500004908 / R01HL159620	76,030	-
University of Connecticut	93.837	414853 / R34HL145439	23,212	-
Total Federal Assistance Listing Number 93.837			99,242	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	AmountsPassed Through to Subrecipients
Brigham and Women's Hospital, Inc.	93.838	125860 / 2T32HL7427-42	\$ 26,352	\$ -
University of Massachusetts Amherst	93.847	017272-9073 / R01DK133717	143,911	-
Joan & Sanford I. Weill Medical College of Cornell University	93.855	200543-4 / P01AI143575	264,199	-
Pennsylvania State University	93.855	S003042-DHHS / R21AI166006	31,389	-
West Virginia University	93.855	22-348-WPI / 5R01AI174300	26,524	-
Total Federal Assistance Listing Number 93.855			322,112	-
Teachley, LLC	93.859	1R44GM146483-01-WPI / R44GM146483	30,443	-
University of Massachusetts Medical School	93.859	PO: WA01326637 / R01GM135919	94,629	-
University of Massachusetts Medical School	93.859	SUB00000228 / R01GM101056	74,283	-
University of Vermont	93.859	AWD00000494SUB00000237 / R35GM141743	48,342	-
Total Federal Assistance Listing Number 93.859			247,697	-
Total National Institutes of Health			7,033,852	1,123,309
Total Department of Health and Human Services			7,033,852	1,123,309
Department of Homeland Security				
Federal Emergency Management Agency				
Pass-Through Programs From				
University of California Los Angeles - UCLA	97.044	0205 G LB628 / EMW-2021-FP-00199	116,487	-
Total Federal Emergency Management Agency			116,487	-
Department of Justice				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		53,303	-
Total Department of Justice			53,303	-
Environmental Protection Agency				
Science To Achieve Results (STAR) Research Program	66.509		177,479	-
Office of Research and Development Consolidated				
Research/Training/Fellowships	66.511		31,329	-
P3 Award: National Student Design Competition for Sustainability	66.516		8,575	-
Pass-Through Programs From				
River Otter Renewables, Inc	97.044	ROR20230001 / 68HERC24C0012	3,295	-
Total Environmental Protection Agency			220,678	-
National Aeronautics and Space Administration				
Science	43.001		346,301	-
Space Technology	43.012		49,030	-
Pass-Through Programs From				
California Institute of Technology	43.001	1670489 / 80NM0018D0004	12,763	12,656
California Institute of Technology	43.001	1684114 / 80NM0018D0004	48,495	14,604
Total Federal Assistance Listing Number 43.001			61,258	27,260
Total National Aeronautics and Space Administration			456,589	27,260

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	AmountsPassed Through to Subrecipients
<u>National Science Foundation</u>				
Engineering Grants	47.041		\$ 3,268,472	\$ 26,431
Mathematical and Physical Sciences	47.049		1,235,416	-
Geosciences	47.050		76,114	-
Computer and Information Science and Engineering	47.070		2,748,976	271,832
Biological Sciences	47.074		320,174	10,925
Education and Human Resources	47.076		3,838,730	69,957
Office of International Science and Engineering	47.079		48,393	-
NSF Technology, Innovation and Partnerships	47.084		3,774	-
Pass-Through Programs From				
The Rector and Visitors of the University of Virginia	47.041	GR012291.SUB00000370 / 2029359	104,115	-
University of Illinois - Urbana-Champaign	47.041	105663-19972 / 2113915	18,889	-
University of Illinois - Urbana-Champaign	47.041	083140-16245	1,250	-
University of Massachusetts Amherst	47.041	017935-9146 / 2328044	82,340	-
University of Minnesota	47.041	A007047301 / 1831140	3,828	-
Total Federal Assistance Listing Number 47.041			210,422	-
American Physical Society	47.049	PT-003-2019 / PHY-1707990	(9)	-
Carnegie Mellon University	47.070	1123493-439572 / 1952085	41,443	-
Mississippi State University	47.070	060700.362239.01 / 2120442	84,449	-
University of Florida	47.070	SUB00004055 / 2331379	11,033	-
Total Federal Assistance Listing Number 47.070			136,925	-
Georgia Institute of Technology	47.074	AWD-005146-G1 / 2319430	49,912	-
San Jose State University Research Foundation	47.074	2113931 / 2113931	5,945	-
University of Massachusetts Lowell	47.074	S52100000054997 / 2217246	95,350	-
Total Federal Assistance Listing Number 47.074			151,207	-
HealthPartners Institute	47.075	X2100900 / 2122232	83,503	-
MIT	47.075	s6112, PO# 953827 / 2329988	6,539	-
University of Massachusetts Lowell	47.075	PO L001038177 - Project # S52100000048202 / 2036917	57,807	-
Total Federal Assistance Listing Number 47.075			147,849	-
College of William and Mary	47.076	715391-2 / 2102119	23,854	-
Iowa State University of Science and Technology	47.076	019533F / 1834521	17,514	642
North Carolina Central University	47.076	23-0121-A0001-SUB02 / 2306658	14,651	-
University of Colorado Boulder	47.076	1559736 / PO #: 1001407658 / 2019805	136,725	-
University of Connecticut	47.076	KFS: 5666820 / PO: 467408 / Sub: 147087447 / 2110083	36,357	-
University of Houston	47.076	R-21-0062 / 2100034	14,391	-
Total Federal Assistance Listing Number 47.076			243,492	642
Rutgers The State University	47.083	SUB00002528 / 2140950	7,781	-
University of Massachusetts Lowell	47.084	S52100000055432 / 2229577	19,697	-
Total National Science Foundation			12,457,413	379,787
<u>Nuclear Regulatory Commission</u>				
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008		451,546	-
Total Nuclear Regulatory Commission			451,546	-
Total Research and Development Cluster			39,257,874	8,934,628

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Amounts Passed Through to Subrecipients
OTHER PROGRAMS				
<u>Department of Defense</u>				
National Security Agency				
Pass-Through Programs				
University Enterprises, Inc.	12.903	538931A / H982302210195	\$ 28,790	\$ -
University Enterprises, Inc.	12.905	539221A / H982302210309	4,145	-
Total Department of Defense			<u>32,935</u>	<u>-</u>
<u>Department of Education</u>				
Undergraduate International Studies and Foreign Language	84.016		96,953	-
Business and International Education Program	84.153		51,396	-
Total Department of Education			<u>148,349</u>	<u>-</u>
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027		18,735	-
Total Department of the Treasury			<u>18,735</u>	<u>-</u>
<u>Federal Emergency Management Agency</u>				
COVID-19 Disaster Grants	97.036		2,839,630	-
Total Federal Emergency Management Agency			<u>2,839,630</u>	<u>-</u>
<u>US Agency for International Development</u>				
Foreign Assistance to American Schools and Hospitals Abroad (ASHA)	98.006		453,148	453,148
Total US Agency for International Development			<u>453,148</u>	<u>453,148</u>
Total Other Programs			<u>3,492,797</u>	<u>453,148</u>
Total Expenditures of Federal Awards			<u>\$ 81,237,453</u>	<u>\$ 9,387,776</u>

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule"), includes the federal grant activity of Worcester Polytechnic Institute (the "University") for the year ended June 30, 2024 and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). As the Schedule presents only a selected portion of the expenditures of the University, it is not intended to, and does not present the financial position, changes in net assets, or cash flows of the University. Direct awards are listed in total and pass-through awards are listed individually (with pass-through numbers when available) on the Schedule. Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years in the normal course of business. Federal Assistance Listing numbers are presented where available. Amounts passed through to each subrecipient by Federal Assistance Listing are included in the total expenditure column of the respective awards and then additional detail provided in the column amounts passed through to the subrecipient.

NOTE 2 - INDIRECT COSTS

The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimus cost rate as described in Section 200.414 of the Uniform Guidance.

NOTE 3 - FEDERAL PERKINS LOAN PROGRAM

The University did not process any new loans under the Federal Perkins Loan Program (Federal Assistance Listing # 84.038) for the year ended June 30, 2024. The balance of Perkins Loans outstanding at June 30, 2024 was \$2,333,310.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT
AUDITING STANDARDS**

To the Board of Trustees
Worcester Polytechnic Institute

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Worcester Polytechnic Institute (the "University"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 5, 2024.

Report on internal control over financial reporting

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the University's internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the University's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Boston, Massachusetts
November 5, 2024

GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Worcester Polytechnic Institute

Report on compliance for each major federal program

Opinion on each major federal program

We have audited the compliance of Worcester Polytechnic Institute (the "University") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2024. The University's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Other matters

Federal expenditures not included in the compliance audit

Our audit of, and opinion on, the University's compliance on its major federal program does not include the compliance requirements governing Federal Perkins loans processing under the Student Financial Assistance Cluster because the University engaged Educational Computer Systems, Inc., to perform these compliance activities.

This third-party servicer has obtained a compliance examination from another practitioner for the year ended June 30, 2024 in accordance with the U.S. Department of Education's *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements on its major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the University's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

As described in our Report on Compliance for Each Major Federal Program above, this Report on Internal Control Over Compliance does not include the results of the other auditors' testing of internal control over compliance that is reported on separately by those auditors.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Boston, Massachusetts
November 5, 2024

Worcester Polytechnic Institute
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	_____X_____	no
Significant deficiency(ies) identified?	_____	Yes	_____X_____	none reported
Noncompliance material to consolidated financial statements noted?	_____	yes	_____X_____	no

Federal Awards

Internal control over the major program:

Material weakness(es) identified?	_____	yes	_____X_____	no
Significant deficiency(ies) identified?	_____	yes	_____X_____	none reported

Type of auditor's report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? _____X_____ no

The major federal program of the University for the year ended June 30, 2024 is as follows:

Identification of the major program:

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number
U.S. Department of Education: Student Financial Assistance Cluster	Various
Dollar threshold used to distinguish between type A and type B programs:	\$2,431,313
Auditee qualified as low-risk auditee?	_____X_____ no

Worcester Polytechnic Institute

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters reported.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters reported.